

Lifting of WA Hydraulic Fracture Stimulation Moratorium

Buru Energy welcomes the lifting of the Hydraulic Fracture Stimulation Moratorium and clarification of Dampier Peninsula boundaries.

The announcement today by the WA State Government that the moratorium on Hydraulic Fracture Stimulation (fracking) has been lifted over existing Petroleum Titles is a welcome step forward after the Independent Scientific Inquiry confirmed last year that the activity is low risk if properly regulated.

The moratorium has been lifted on the majority of Buru's current titles as set out on the attached map provided by the WA State Government.

Buru is of the view that the current regulations provide a framework where fracking can be undertaken safely and without any significant environmental impacts. Prior to the moratorium Buru Energy had undertaken a number of fracs on three wells in the Canning Basin, all with no incidents, no detectable impact on the environment, and fully compliant with current legislation.

The Company looks forward to working with Government to implement in an appropriate and workable manner the recommendations of the Independent Scientific Inquiry for further regulation of the industry.

In regard to the Government's delineation of the Dampier Peninsula as a "frac free zone", the Company has worked constructively with Government to ensure the boundaries of the zone are appropriate in relation to the Company's existing petroleum titles and to provide certainty for the community. Consequently, we have agreed with Government that the Broome township and water supply areas in our existing petroleum titles will form part of the Dampier Peninsula fracking exclusion zone.

Buru has a long history of working constructively and pro-actively in helping protect areas and was responsible for the exclusion of Roebuck Bay from its petroleum titles in 2011 in association with the Yawuru Native Title Holders (as attached).

We look forward to being able to demonstrate that the gas resources of the Canning Basin can be safely and efficiently extracted for the benefit of all stakeholders.

Visit www.buruenergy.com for information on Buru Energy's current and future activities.

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Attachment 1

Map showing the existing onshore petroleum titles where the moratorium has been lifted

Attachment 2

24 May 2011 ASX Announcement – Buru and Yawuru working together to protect Roebuck Bay

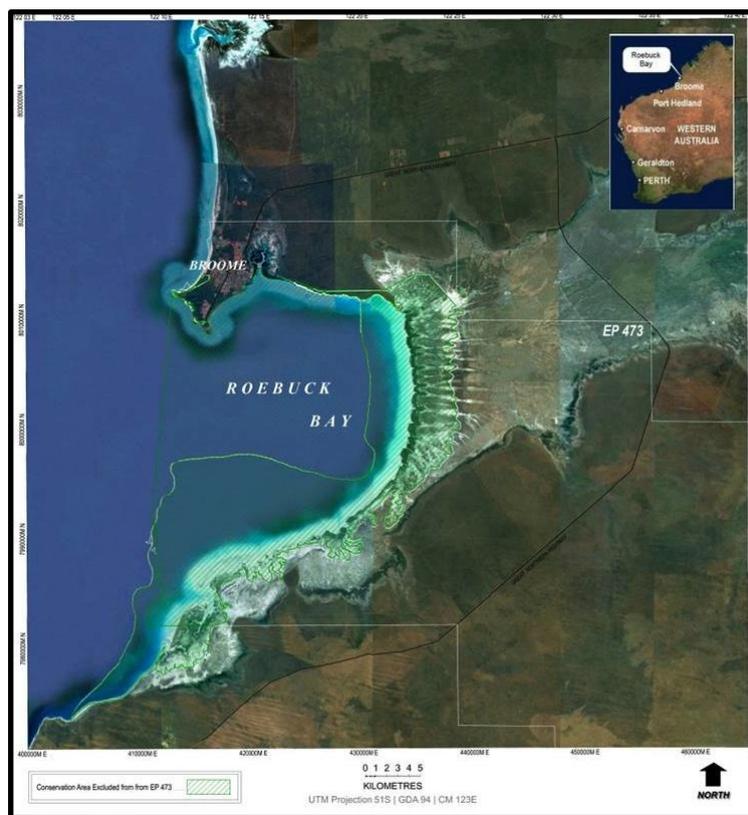
ASX ANNOUNCEMENT (ASX: BRU) 24 May 2011

Buru and Yawuru People working together to protect Roebuck Bay

Buru Energy Limited (“**Buru**”) is pleased to announce that it has today confirmed arrangements to ensure that the Yawuru People are able to exercise their traditional role as the custodians of Roebuck Bay without intrusion from oil and gas exploration. To help achieve this, Buru has voluntarily given up its current rights to explore for oil and gas in Roebuck Bay, reflecting its commitment to working with local communities in the Kimberley in a socially and environmentally responsible way. Buru is delighted to be able to help ensure that Roebuck Bay and the surrounding Ramsar wetlands are incorporated into the planned Roebuck Bay Conservation Estate in the most appropriate manner.

Roebuck Bay

Roebuck Bay is a tropical marine embayment with extensive, highly biologically diverse, intertidal mudflats.



The site is internationally important for at least 20 species of migratory shorebirds with total numbers of waders using the site each year estimated at over 300,000. This makes Roebuck Bay one of the most important sites for shorebird conservation in the East Asian-Australasian Flyway. The marine area is also an important habitat for endangered dugong and turtle populations.

Roebuck Bay is an area of significant cultural importance to the Yawuru People, the Traditional Owners and Native Title holders of the Broome area. Under the Indigenous Land Use Agreement (“**ILUA**”) signed in August 2010, the Western Australian State Government and the Yawuru People will work together to put in place a Conservation Estate covering the waters of Roebuck Bay in a marine park and the surrounding mudflats and wetlands in a terrestrial reserve. The ILUA formalises the joint management of these areas between the Department of Environment and Conservation and the Yawuru People.

Protection of Roebuck Bay

The area of the Conservation Estate falls within Buru’s exploration permit EP 473, which gives Buru the right to explore for oil and gas in these areas. Any exploration for, and the production of, any oil and gas would be subject to the conditions of the Conservation Estate, but nevertheless the right to carry out that exploration is one of the rights attaching to the exploration permit.

In recognition of the cultural and environmental significance of the Roebuck Bay area Buru has, in consultation with the Department of Mines and Petroleum (“**DMP**”) and the Yawuru People, proposed and agreed to put in place an arrangement to ensure that the Conservation Estate is free of the influence of oil and gas exploration and production.

Under this arrangement, the DMP will place conditions on EP 473 preventing exploration for oil and gas in Roebuck Bay and the surrounding wetlands. These conditions will apply for the duration of the EP 473 permit, irrespective of who holds the permit.



Yawuru elders Jimmy Edgar and Frank Sebastian with representatives of Buru and Mitsubishi Corporation.

Buru is committed to ensuring that its activities are conducted in a way that recognises and acknowledges the interests of the Traditional Owners of the areas in which it operates. Buru has developed a strong working relationship with the Yawuru People. This relationship allows Buru to conduct its activities in an effective and timely fashion while at the same time ensuring that the interests of the Yawuru People are not affected. The protection of Roebuck Bay is a natural extension of this relationship and demonstrates Buru's ongoing commitment to the Yawuru People and the Kimberley community more generally.

A representative of the Yawuru People, commenting on the protection of Roebuck Bay, noted that Mr Patrick Dodson, Chairman of the Yawuru Native Title Holders corporate body has praised Buru for recognising that such a sensitive area of cultural and environmental importance to the Yawuru People requires preservation without disturbance from development. Mr Dodson described Buru's announcement "*as a demonstration of industry leadership in Aboriginal and resource development co-operation and partnership in the Kimberley region.*"

Buru's Chairman, Mr Graham Riley, commented on the protection of Roebuck Bay:

"We are extremely pleased to be able to work on a project such as this one with the Yawuru People. Recognition and respect for the cultural, environmental and social context we operate in is central to the way Buru runs its business. This project highlights our commitment to work with the Traditional Owners of the Kimberley to achieve positive outcomes from Buru's activities."

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